Further, an outlay of Rs. 1530 crore has been allocated in the current year 2008-09 for carrying out modernization.

Eastern-Western freight corridor

2160. SHRI N.K. SINGH: Will the Minister of RAILWAYS be pleased to state:

(a) the progress made so far, in the implementation of the Eastern-Western freight corridor proposal; and

(b) the fillip this is likely to give to faster movement of freight in the country?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU): (a) The Special Purpose Vehicle (SPV), namely, Dedicated Freight Corridor Corporation of India Limited (DFCCIL) formed to implement the project has taken up various preparatory works including land acquisition formalities, final location survey and appointment of consultants etc. For Western Corridor (1469 Kilometers), Final Location Survey (FLS) has been completed for 98% of the section. For Eastern Corridor (1280 Kilometers), Final Location Survey (FLS) has been completed for 99% of the Section.

(b) The Dedicated Freight Corridor Projects will help in enhancing capacity and bring down the unit operating cost and will also help in improving the quality of service to meet customer aspirations adequately through segregation of the freight and passenger streams. This would simultaneously improve passenger services on the existing corridors, which would get capacity relief through substantial reductions in the running of freight services.

Hurdle before new steel projects

2161. DR. T. SUBBARAMI REDDY: Will the Minister of STEEL be pleased to state:

(a) whether in view of demand for steel growing at around 12 per cent annually, Government has planned to create more than 50 million tonnes of additional steel making capacity but land acquisition and environmental problems have effectively stalled all new projects;

(b) whether several State Governments have signed 195 Memoranda of Understanding with steel companies for putting additional 252.9 MT of steel capacity with an estimated aggregate investment of Rs. 5,55,038 crores;

(c) whether many of them have been stalled on issues such as land acquisition; and

(d) if so, the measures Government propose to take for full implementation of all these MoUs for increasing steel production?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI JITIN PRASADA): (a) In a de-regulated, liberalized economy, production of steel is influenced primarily by demand conditions (both local and global markets) and also by availability of raw materials to achieve the required level of production. Decisions related to production are taken essentially by the steel producing units. The Government in such a market set-up has the role of a facilitator only - it provides the overall policy environment to promote industry growth.